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**INSPECTOR GENERAL**

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22 JUN 1976

MEMORANDUM FOR: Deputy Director for Administration

FROM : Inspector General

SUBJECT : Office of Personnel Survey Report

REFERENCE : Memo for IG from D/PERS dated 28 May 1976, Subject: Response to the Inspector General's Report of Survey of the Office of Personnel (March 1976)

1. Thank you for the serious and extensive reply to the subject survey, which was prepared by the Director of Personnel and forwarded through your Office to me. I am gratified that we have no important differences about the first six of the ten recommendations in the survey report. Our comments on the apparent differences with regard to the other four recommendations follow.

2. Recommendation Nos. 7, 8 and 9 deal with the position, management and compensation function of the Office of Personnel. The Director of Personnel obviously disagrees with these recommendations and has proposed an alternative solution. His lengthy critique of the text dealing with this subject indicates the existence of semantic problems and our failure, in efforts to obtain brevity, to get our meaning across. For example, the comments deal in depth with the adverse outcomes of "decentralized" position management and compensation experiments by other agencies in the evident belief that we had proposed such systems for CIA. I believe the examples cited refer to cases in which essentially the entire function and the means to carry it out were assigned to various major organizations within departments or agencies. We have not recommended such a change but stated, "...we doubt that decentralization, in the sense of assigning classifiers to Directorates, would be desirable in this Agency....We believe his [the Director of Personnel's] central control of Agency position classification experts is essential to the provision of uniform classification standards and to monitoring the application of those standards within the Directorates..." Further, our Recommendation No. 8 states, "That the Director of Personnel monitor Directorate and DCI area adherence to their allocations [of staff manpower ceilings, senior slots and average grade] and to job/pay equity

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and recommend appropriate DCI action in cases where he cannot resolve differences with the Deputy Director concerned." Moreover, the changes in PMCD activities proposed in Conclusion G-3 through G-5 and recommended for adoption in Recommendation No. 9 do not involve controversial differences in how PMCD personnel perform their position evaluation functions, except those relating to the frequency of periodic surveys and the inclusion in those surveys of judgments on organization and management in cases where such considerations are not dominant in evaluation of position grades. We do not, therefore, believe that our recommendations involve "decentralization" of the degree or type that has been demonstrated to be ineffective when tried in other organizations.

3. We are apparently in agreement that a change is needed in the position management and compensation system in addition to the steps now underway to improve and expand PMCD staffing, develop and implement a Factor/Benchmark position evaluation system and improve PMCD's ability to service component needs promptly. The change involves use of a more effective decision mechanism to settle unresolved disagreements about position grades. In the case of both proposals that decision authority would be the DCI, the DDCI, or the EAG, depending on the Director's wishes. In both cases efforts to resolve disagreements would first involve discussions between the Director of Personnel and a Deputy Director (or his representative). The major difference between the procedures that would be followed under our different proposals is whether these discussions would be initiated by a Deputy Director in order to obtain authentication of a new Staffing Complement, or by the Director of Personnel when, in his view, a Staffing Complement approved by a Deputy Director conflicts with job/pay equity or causes the Directorate to exceed its allocation of staff manpower ceilings, senior slots, or average grade. We do not believe that the difference, assuming energetic enforcement by the Director of Personnel in either case, necessarily involves a different outcome in terms of grade-creep or job/pay equity. The difference really involves the less tangible but perhaps important effects of the transfer of initiative implicit in the transfer of Staffing Complement authentication authority.

4. The Office of Personnel proposal really involves little or no change from authorities that already exist--and have rarely been used. The Director of Personnel notes that Staffing Complements are not (and under present regulations cannot be) changed without the concurrence of the Operating Component. A Deputy Director thus retains the option of avoiding undesired changes by deferring resolution of issues and meeting his needs through the use of his assignment authority and multiple slotting or PRA adjustments. This continues the practice of maintaining actual organizations that differ in many cases from their official Staffing Complement and tends to degrade the use of these documents by top management as a basis for "recruitment, assignment, retention and promotion of the work force." It may also generate pressure, such as

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that referred to on page 3 of the Director of Personnel's memo, for separate manning tables for individual Offices. Since the leadership of three of the four Directorates has recently changed, their attitudes might change spontaneously or be changed by clear policy guidance from the DCI or DDCI. Considerable resistance to such a change would exist, however, since it would be perceived as giving more "clout" to PMCD recommendations. Our survey indicated very widespread managerial dissatisfaction with such recommendations--in many cases more than that to be expected from the adversary aspects inherent in PMCD's role. Forthcoming changes--use of the Factor/Benchmark position evaluations, greater component involvement in position evaluations and more Directorate personnel on rotational assignments to PMCD will probably help to improve these attitudes, but considerable time and experience will be needed.

5. The transfer of Staffing Complement authentication authority to the Deputy Director would probably be perceived by managers as reducing PMCD's "clout". Whether it actually would have that effect would depend on the energy and effectiveness with which the Director of Personnel's monitoring functions were carried out. At least initially, however, managerial reaction to the change could be more favorable, perhaps generating a less defensive and more cooperative attitude in their dealings with PMCD. Directorate procrastination would still be possible, but the initiative in bringing disagreements to decision would pass to the Director of Personnel. Ambiguities that may now exist as to responsibilities for holding average grade, senior slots and supergrades within Directorate allocations would be clarified, and all, rather than part, of the means to carry out these responsibilities would be available to the Deputy Directors, subject to monitoring by the Director of Personnel. On the debit side is the fact that the Director of Personnel would be placed in the position of challenging decisions already made, rather than simply withholding approval, and might be inclined to allow too many minor violations rather than burden the DDCI (or other appeal authority) with a flood of minor disputes.

6. On balance we remain persuaded that both proposals are worth consideration by higher authority. If you agree that the key issues have been properly identified, I suggest that we review the question together with Hank Knoche before preparing papers for a DCI decision.

7. The remaining sticky questions deal with the frequency and content of periodic PMCD surveys. Since we both agree that such surveys should not interfere with prompt and rapid service of reorganization or other more immediate needs for PMCD assistance, the frequency will be governed by resources available and need not be an issue between us. Similarly, although we differ on the need for PMCD recommendations regarding the organization and management of component personnel, the difference is apparently one of degree. As long as PMCD recommendations

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on such subjects are presented as non-binding suggestions (except when they dominate position evaluation findings), we will withdraw active opposition to the practice, although we remain unconvinced that it is universally necessary or useful.

8. The last two parts of the Director of Personnel's alternative approach (paragraph d. and e., page 17 of the Director of Personnel's response) are not at issue. We believe partial rotational manning could be useful (although two-year tours might be a little short), and would expect PMCD subjects to be included in the course we recommended in Recommendation No. 10. Similarly, the length of time required for that course could be varied from five to three days if you believe the necessary material can be covered in that time. We feel strongly that Office level managers and deputies, who are most directly involved in matters involving general CIA personnel policy, should attend the course. Division chiefs would also benefit, but we are less convinced that mandatory attendance should include Branch chiefs. We would be interested in the Director of Personnel's reasons for proposing this alteration, which is likely to make the course more costly and burdensome on components.

9. We appreciate the corrections and comments on the text of our report furnished as Tab C in the Director of Personnel's response. We will make these comments a part of our permanent file on this survey. We are gratified at the actions taken (or that were earlier underway) relating to our suggestions. We are also pleased to learn that the Office of Personnel activity in developing innovations in Agency personnel management has been even more extensive than we noted during the inspection.

[Redacted Signature Box]

Donald F. Chamberlain  
Inspector General

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cc: Director of Personnel

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